

DECLARATION OF EMERGENCY

Department of Economic Development Office of Entertainment Industry Development

Louisiana Sound Recording Investor Tax Credit Program (LAC 61:I.1635)

This Emergency Rule is being published pursuant to emergency provisions of the Administrative Procedure Act, R.S. 49:953(B). The Department of Economic Development and the Office of Entertainment Industry Development have an immediate need for rules for the Louisiana Sound Recording Investor Tax Credit Program (R.S. 47: 6023 et seq.) to effect fees under the new fee schedule provided by HB 773 and HB 604 of the 2015 Regular Session of the Louisiana Legislature. A delay in imposition of such fees would hinder effective administration of this program, impose unfunded and unrecoverable costs on the department, and delay access to the program by qualified applicants, resulting in an adverse financial impact on the state, the department, Louisiana businesses and taxpayers. This Emergency Rule shall become effective October 29, 2015, and shall remain in effect for the maximum period allowed under the Administrative Procedure Act, or until a final Rule is promulgated in accordance with law, whichever occurs first.

This Emergency Rule is being promulgated in order to continue the provisions of the July 1, 2015 Emergency Rule (effective for 120 days), published in the *Louisiana Register*, as an Emergency Rule in the July 20 edition, and then subsequently as a Notice of Intent in the October 20 edition, with a public hearing currently set for November 25, 2015.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 16. Louisiana Entertainment Industry Tax Credit Programs

Subchapter C. Louisiana Sound Recording Investor Tax Credit Program

§1635. Rules of Application

A. The sound recording investor tax credit authorized by R.S. 47:6023(C) may be earned and claimed as follows.

1. - 6. ...

7. An application fee in the amount equal to 0.5 percent of the total estimated tax credits with a minimum fee of \$500 and a maximum fee of \$15,000 shall be submitted with each application.

8. Expenditure verification report fee. The department shall directly engage and assign a CPA to prepare an expenditure verification report on an applicant's cost report of production or project expenditures. Applicants shall submit an advance deposit at the time of application, and shall later be assessed the department's actual cost based upon an hourly rate not to exceed \$250, in the amounts set forth below.

a. For applicants with project expenditures greater than \$5,000 but less than \$50,000, an advance deposit of \$2,500, with a maximum fee of \$5,000.

b. For applicants with project expenditures greater than \$50,000, an advance deposit of \$5,000, with a maximum fee of \$15,000.

c. Any unused balance shall be refunded to the applicant within sixty days following receipt of CPA's final invoice and payment of all CPA costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6023 and R.S. 36:104.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, and the Department of Revenue, LR 34:1348 (July 2008), amended by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development, LR 36:305 (February 2010). amended by the Department of Economic Development, Office of Entertainment Industry Development, LR 42:

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Undersecretary

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